

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into this 6th day of SEP, 2002, between the Department of Housing and Urban Development ("HUD") and Stewart Title Austin, Inc. This Settlement Agreement applies to Stewart Title Austin, its officers, directors, employees, successors, and assignees, and to all subsidiaries of Stewart Title Austin and their officers, directors, employees, successors, and assignees ("Stewart Title"). HUD and Stewart Title together shall be referred to herein as the "Parties."

Whereas, Section 8(a) of the Real Estate Settlement Procedures Act ("RESPA"), 12 U.S.C. § 2607(a), requires that "[n]o person shall give and no person shall accept any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or a part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person.";

Whereas, HUD instituted an inquiry and investigation into certain practices of Stewart Title and other title companies relating to their provision of "virtual tours" of residential real property offered for sale in Texas to real estate brokers or real estate agents at no cost to the brokers or agents for the period commencing on May 1, 2000, through and including the date of this agreement;

Whereas, the term "virtual tour" refers to the internet-based service by which any person can access a website that displays photographs of residential real property offered for sale and that the person may be able to obtain a panoramic view of the interior and/or exterior of the property;

Whereas, Stewart Title has provided HUD with information on both the volume of virtual tours Stewart Title created and the costs associated with creating virtual tours;

Whereas, as a result of its inquiry and investigation, HUD asserts that by providing virtual tours, Stewart Title has provided a "thing of value" in exchange for the referral of business in violation of Section 8(a) of RESPA;

Whereas, Stewart Title denies that its provision of "virtual tours" as described above violates Section 8(a) of RESPA;

Whereas, the Parties desire to resolve any and all RESPA issues arising from the production of "virtual tours";

Whereas, this Settlement Agreement covers only those practices of Stewart Title identified herein, known to and alleged by HUD regarding the provision of virtual tours in the State of Texas;

Whereas, by entering into this Settlement Agreement, HUD does not approve or authorize "virtual tours" or any ancillary business;

Whereas, this Settlement Agreement shall not constitute an admission of liability or fault on the part of Stewart Title;

Whereas, the Parties desire to avoid further expenses and proceedings, and to reach a mutually satisfactory resolution of this matter by entering into this Settlement Agreement;

NOW, THEREFORE, in consideration of the mutual promises and representations set forth herein, and in further consideration for HUD's reliance upon the substantial accuracy and good faith of Stewart Title's representations and submissions concerning the number of virtual tours provided by Stewart Title and the cost to Stewart Title of providing such virtual tours, the Parties hereby agree and intend to be legally bound by the following:

(1) As of the date of execution of this Settlement Agreement, Stewart Title agrees to continue to comply fully with Section 8 of RESPA, and with all of the provisions of Paragraph (2) of this Settlement Agreement, in connection with any provision by Stewart Title of a virtual tour of residential real property located within the State of Texas.

(2) Whenever Stewart Title provides a virtual tour to or for the benefit of any person in a position to refer title insurance business with respect to residential real property located within the State of Texas, Stewart Title will provide such virtual tour only in accordance with the provisions of Paragraph (2) of this Settlement Agreement.

(A) Before providing a virtual tour, Stewart Title shall charge and collect a fee for any virtual tour that it provides to a person in a position to refer residential title insurance business. Stewart Title agrees not to provide a virtual tour for free. The fee shall not be less than the actual cost to Stewart Title of providing the virtual tour. Any such fee collected that equals or exceeds the actual cost of the virtual tour to Stewart Title shall be deemed reasonable.

(B) The fee charged and collected for any virtual tour shall be uniform for all persons charged for virtual tours of similar kind and quality, and the virtual tour service shall be available, to the extent allowable by law, to any person who wishes to avail himself or herself of the service.

(C) Stewart Title shall notify, in writing or by electronic mail, each and every real estate broker and real estate agent who requests the provision of a virtual tour that there is no agreement, understanding or requirement to refer business to Stewart Title, if Stewart Title provides such broker or agent with a virtual tour.

(D) Stewart Title will not refuse to provide a virtual tour to any person

because the person does not refer title business to Stewart Title.

(3) Within twenty (20) business days of the execution of this Settlement Agreement, Stewart Title shall make a payment of \$1,260.00, payable to the United States Treasury, and delivered to counsel for HUD.

(4) Stewart Title waives, releases, and remits any and all claims that it may have, directly or indirectly, against HUD or HUD employees whether known or unknown, with respect to this matter. HUD waives, releases, and remits any and all claims that it may have at the time of execution of this Settlement Agreement and that might be made with regard to the provision of virtual tours against Stewart Title or its parents and affiliates. HUD's waiver is based on its reliance upon the substantial accuracy and good faith of Stewart Title's answers and representations made during HUD's investigation

(5) Based on Stewart Title's compliance with the terms of this Settlement Agreement, HUD will terminate its related investigation and take no further enforcement action against Stewart Title under Section 8 of RESPA as to this matter.

(6) HUD intends to apply and interpret the requirements of Paragraph (2) of this Settlement Agreement and Section 8 of RESPA uniformly for all title companies providing title services in the State of Texas.

(7) Each of the Parties shall bear its own attorneys' fees and costs.

(8) Stewart Title agrees to cooperate with HUD in their ongoing investigation of violations of RESPA with regard to virtual tours in the state of Texas by providing such information in Stewart Title's custody, possession or control as HUD may reasonably request in the course of such investigation and by making Stewart Title personnel available for debriefing and testimony, upon reasonable notice and reasonable terms and conditions.

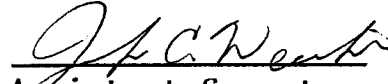
(9) This Settlement Agreement is a binding and final agreement that applies to and binds each of the persons or entities identified in the first paragraph of this Settlement Agreement. Provided, however, that Stewart Title shall be entitled to relief from the provisions of Paragraph 2 in order to engage in conduct permitted by RESPA in the event that section 8 of RESPA is amended or in the event that the provisions of Regulation X interpreting and applying section 8 of RESPA are amended.

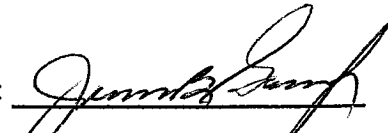
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first stated above.

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

STEWART TITLE
AUSTIN, INC.

By: John C. Weicher

Name: 
Title: Assistant Secretary for
Housing-Federal Housing
Commissioner

By: 

Name: JAMES B. GARRISON, JR.

Title: PRESIDENT